

Industry Circular



Internal Revenue Service

Alcohol and Tobacco Tax Division
Washington, D.C. 20224

Industry Circular No. 68-33

December 4, 1968

FIREARMS REGULATIONS AND PROCEDURES

Licensees under The Federal Firearms Act
and Others Concerned:

Purpose. The purpose of this circular is to announce that certain modifications have been made in the proposed regulations, 26 CFR Part 178, "Commerce in Firearms and Ammunition," and in the procedures and instructions to be followed in the execution and use of Form 4473, "Firearms Transaction Record."

Background. During the public hearing, held on November 21, 1968, concerning 26 CFR Part 178, representations were made by members of the firearms industries and by other interested parties that the regulations should be changed and that the Form 4473 procedures be simplified. After review of the data presented it was concluded that the regulations would be revised and (at the next printing) the form would be re-designed. In order that industry members can be alerted to certain changes and be able to use the only printed Forms 4473 to be available on December 16, 1968, this circular summarizes a few of the important changes. The final regulations will include all changes which are being made.

Modification of Form 4473 Procedures

1. In all instances, the transferor (dealer) will give Form 4473 to the transferee (Purchaser) and ask that he read the "Notice to Transferees."

Transactions: over-the-counter, intrastate

2. Transferee will execute Section B, Items 6, 7, 8, 9, 10, 11, 12, and 13.
3. Transferor will execute Section A, Items 1, 2, 3, 4, and 5; Section C, Item 15 (after deleting "I certify that" and "has signed Item 14 in my presence and"), 15 a, and 15 b; and Section D in its entirety.
4. Note: Items 16, 16 a, 16 b and 16 c of Section C will not be executed.

All Other Transactions:

5. Transferee will execute Section B, Items 6, 7, 8, 9, 10, 11, 12, and 14.
6. Transferor will execute Section A, Items 1, 2, 3, 4, and 5; and Section D, Items 17, 17 a, and 17 b. (In the opening statement in Section D, delete "(2) the verification of identity in Section C.")
7. Note: Section C will not be executed.

Instructions on back of Form 4473

8. In all instances, the instructions on the back of Form 4473 will be carefully followed. However, in lieu of the printed instructions contained in 2 (b) and 2 (c) the following will apply:

- 2 (b) The transferee of a firearm will, in every instance complete Section B of the form, and sign, as appropriate, either Item 13 or Item 14.
- 2 (c) Form 4473 will be prepared in duplicate when the transfer of the firearm is (1) to a purchaser residing in a contiguous state or (2) an intrastate mail-order transaction.

Sale of rifles or shotguns to residents of contiguous states. The regulations provide for the sale of a rifle or shotgun to a resident of a state contiguous to a state in which the dealer conducts his business. However, the legislative history of the Gun Control Act makes it quite clear that the purchaser's state of residence must enact enabling legislation, if a contiguous state sale is to be made lawfully. It is not sufficient that the purchaser's state of residence does not prohibit such a purchase (or is silent thereon); the state law must specifically enable such a purchase to be made.

Inventory. The regulatory requirement under Title I, Gun Control Act of 1968, that each licensed dealer prepare a permanent record of each firearm and of the ammunition in his inventory on December 16, 1968 is fulfilled, in the case of firearms, in those instances where dealers have maintained a complete and adequate firearms record under the format prescribed by the Federal Firearms Act and, in the case of ammunition, where dealers have commercial invoices identifying the type and quantity of ammunition purchased or acquired. The use solely of invoices or other commercial documents for the inventory of firearms does not fulfill the regulatory requirement unless prior approval to vary therefrom has been obtained from the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.

Ammunition Record. Commercial invoices identifying the type and quantity of ammunition acquired are acceptable records of receipt and such acquisitions need not be entered in the bound record nor need a beginning inventory be prepared. Each disposition of ammunition, however, must be entered in the bound record. The entry will describe the ammunition and indicate the quantity sold, as well as the purchaser's name, date of birth, and place of residence, and the method of identifying purchaser.

The format required for recording the disposition of ammunition is:

AMMUNITION DISPOSITION RECORD

Date	Manufac- turer	Caliber, Gauge or Type of Component	Quantity (Boxes)	Name	Address	Date of Birth	Mode of Identification Driv.Lic. Other (Specify)
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Each disposition of ammunition must be entered in the bound record at the time of sale. If, however, a sales slip or other commercial record is prepared, which identifies the purchaser as required above, the entry in the bound record may be delayed for a period of not more than seven days from the date of sale.

License Certification. To provide verification of his licensed status, a dealer holding a license under the Federal Firearms Act is authorized to reproduce copies thereof or to request certification of his licensed status from the Assistant Regional Commissioner, Alcohol and Tobacco Tax, and to use either for such purpose until his license expires. If, however, a licensed

transferor (seller) has previously established that a transferee (purchaser) is properly licensed, additional proof is not necessary prior to the expiration of the transferee's license.

A multi-licensee may submit to a licensed transferor one copy of his licensed status setting forth all licensed locations and the license expiration date for each location as verification.

The certification requirements to be set forth in regulations will not be effective until 60 days after December 16, 1968. A Federal Firearms Act licensee whose license expires after the 60-day period may continue, for no more than 45 days after the expiration of his license, to utilize his Federal Firearms Act license as certification provided he has filed for a license under the Gun Control Act of 1968 and so notes the copy of his license which he furnishes a licensed supplier.

Sale of Ammunition. A Federal Firearms Act dealer selling firearms and ammunition may continue to sell ammunition (including shotgun and rifle shells) until the expiration date of his present license. However, on or after December 16, 1968, a dealer selling ammunition only is required to obtain a license so to do.

Firearms Record. The format required for recording the acquisition and disposition of firearms is:

FIREARMS ACQUISITION AND DISPOSITION RECORD

Description of Firearm					Receipt		Disposition		
Manufac- turer and or Importer	Model	Serial No.	Type of Action	Caliber & Gauge	Date	From Whom (Name & Ad- dress or Name & License Number)	Date	Name	Address or
									License No. if Licensee, or Form 4473 Serial No. if Forms 4473 filed numerically

All acquisitions of firearms by licensed dealers or collectors must be entered in the bound record. If the acquisitions are supported by invoices or other commercial records, the required entries may be delayed for not more than seven days from the day of receipt. If, however, a firearm is disposed of prior to the expiration of such period, the information required concerning its acquisition must be entered in the bound record by the close of business on the day of disposition.

All dispositions of firearms by licensed dealers or collectors must be entered in the permanent bound record. Each disposition of a firearm to a nonlicensee must, in addition, be recorded on Form 4473; however, the only entries required in the bound record are the date of transaction, the name of the person to whom the firearm was transferred, and the serial number of Form 4473, if such forms are filed numerically. The entries required in the bound record must be made no later than seven days from the date of disposition of the firearm.

Original Forms 4473 and any supporting documents must be filed either chronologically by date, alphabetically by name or numerically by serial number and retained permanently.

Skeet, trap, target, and similar shooting activities. The furnishing of ammunition to participants in a skeet, target, trap or similar shooting activity, instructional session, competition, etc., by a club, association or other sponsoring organization does not constitute the sale or delivery of

ammunition if the ammunition is expended on the premises where and at the time such activity is held.

The organization furnishing the ammunition in accordance with the paragraph above may, if it so desires, obtain a dealer license under Title I of the Gun Control Act of 1968.

If a dealer license is applied for, the applicant may, by letter application in duplicate, request the Assistant Regional Commissioner, Alcohol and Tobacco Tax, to authorize the maintenance of ammunition disposition records other than as required by regulations. In the letter, the applicant must indicate the recordkeeping procedures he wishes to establish and maintain. In any event, total usage on the premises in connection with the organization's activity would need to be entered daily as a single entry, and any dispositions for use off the premises would need to be shown by name, address and date of birth in the usual required manner.

An organization temporarily furnishing firearms to participants in a skeet, trap, target or similar shooting activity, instructional session, competition, etc., for use at the time and place of such activity, which it sponsors, is not engaged in business as a dealer in firearms. The licensing and record-keeping requirements pertaining to firearms transactions, therefore, do not apply to such temporary furnishing of firearms.

Corrections in "Published Ordinances - Firearms", Publication 603 (12-68)

Page 1, (16) (B) change "any replica, or any firearm..." to any replica of any firearm...

Pages 17043 and 17044 strike and disregard firearms ordinances shown for Lincoln, Nebraska

Effective date. The revised regulations and procedures are being issued in order to implement Title I of the Gun Control Act of 1968 which becomes effective December 16, 1968 and Title VII of the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to your Assistant Regional Commissioner, Alcohol and Tobacco Tax.



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